

**PROPOSED AMENDMENTS TO**  
**NEVADA GAMING COMMISSION REGULATION 8.130**

**Draft Dated: 6/9/2021**

**PURPOSE STATEMENT:** To amend the Nevada Gaming Commission (“NGC” or “Commission”) Regulation 8.130 to adjust the thresholds for reporting certain transactions to the Nevada Gaming Control Board (“Board”); To remove the requirement that the described financing agreement be submitted to the Board; To add provision to require that documents supporting the reported transactions be maintained by the licensee for a certain period of time and that such documents be provided to the Board upon request; To require a licensee to perform due diligence prior to engaging in a contractual agreement with a party that triggers the supplemental filing requirement described in subsection 8 of this section; To make non-substantive changes to the language of this section to conform with current drafting standards; To update references to other sections of the regulations; To remove operators of inter-casino linked systems; And to take such additional actions as may be necessary and proper to effectuate this stated purpose.

**EFFECTIVE DATE:** Effective upon adoption by the Nevada Gaming Commission.

**EXPLANATION:** Matter in *blue italics* is new language; and matter between ~~red brackets with single strikethrough~~ is material to be omitted. Matter in green is Aristocrat comments.

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**REGULATION 8**

**TRANSFERS OF OWNERSHIP; LOANS**

**8.130 Transaction reports.** As used in this section, “licensee” means any person to whom a valid nonrestricted gaming license, including a license as an operator of a slot machine route ~~[ ]~~ *or* mobile gaming system, ~~for an inter-casino linked system,~~ *a* manufacturer’s, distributor’s, or disseminator’s license, a license to engage in offtrack pari-mutuel wagering, pari-mutuel systems operator license, pari-mutuel wagering license, operator of interactive gaming license, or an interactive gaming service provider license has been issued. The term does not include a person licensed solely

as a holder of a security or other ownership interest in, as an officer, director or key employee of, or due to any other relationship with, a licensed operation.

1. Any licensee that receives, accepts, or makes use of any cash, property, credit, guaranty, benefit or any form of security loaned to, leased to, or provided for or on behalf of the licensee or an officer, director, agent, employee or stockholder of the licensee, in a transaction required to be reported under subsections 2 through 6, must report the transaction to the Board in the manner required by subsections 7 and 8 within 30 days after the end of the calendar quarter in which the transaction is consummated. A transaction is considered consummated the earlier of the contract date or the date the cash, property, credit, guaranty, benefit or security is received.

2. Except as provided in subsections 3 and 5, each of the following transactions must be reported to the Board, if the dollar amount of the transaction or the fair market value of the assets involved exceeds ~~[\$300,000]~~ ~~\$500,000~~ \$1,000,000 or the average monthly payment exceeds ~~[\$30,000]~~ ~~\$50,000~~ \$100,000:

(a) Leases, including leaseback transactions and capital leases.

(b) Deposits received by the licensee pursuant to an arrangement for use of space at the licensee's establishment.

(c) Installment purchase contracts.

(d) Property donated to the licensee.

3. Except as provided in subsection 5, each of the following transactions must be reported to the Board, if the dollar amount of the transaction exceeds ~~[\$30,000]~~ ~~\$50,000~~ \$100,000:

(a) Loans, mortgages and trust deeds.

(b) Capital contributions and loans by a person who is a stockholder, partner or proprietor of the licensee.

(c) Safekeeping deposits which:

(1) Are made by an individual beneficially owning, directly or indirectly, a 10 percent or greater interest in the licensee;

(2) Are commingled with the licensee's funds;

- (3) Are left for more than 10 days; and
- (4) At any time during that period, aggregate to an amount greater than 25 percent of cash in the cage.
- (d) Lines of credit.
- (e) Accounts payable and accrued expenses due to unaffiliated persons where the payment terms or actual length of payments exceed 12 months.
- (f) Conversions of accounts payable, accrued expenses or other liabilities to notes payable.
- (g) Debts forgiven by a lender.
- (h) Guaranties received by the licensee.
- (i) Accruals of salary due to an individual directly or indirectly owning an interest in the licensee where the accrual period exceeds 90 days.
4. Those transactions in subsections 2 and 3 which occur no more than 7 days apart from a single source shall be considered a single transaction if they exceed the dollar amounts specified in those subsections.
5. The following transactions need not be reported to the Board regardless of the dollar amount of the transaction, fair market value of the assets involved, or average monthly payment:
- (a) Draws against a previously reported extension of credit.
- (b) Except for items specifically described in subsections 2 or 3, goods or services which are exchanged for other goods or services of an affiliate of the licensee.
- (c) Short-term cash loans which have a payback period of less than 7 days and are provided to the licensee on a regularly recurring basis, provided the terms and conditions of the arrangement have not changed, and provided the initial loan or financing arrangement has been reported.
- (d) Loans and other financing activities that were reviewed during an investigation which resulted in Board or Commission action, provided the terms and conditions of the arrangements have not changed.

(e) Financing of gaming devices or associated equipment installed and used during a trial period authorized pursuant to Regulation 14.

(f) Funds received by the licensee in satisfaction of accounts or notes receivable.

(g) Purchases or leases of gaming devices and associated equipment where the seller or lessor is a licensed manufacturer or distributor, and the financing is not provided by a third party.

(h) Cash, property, credit, services, guaranty, benefit or any form of security loaned to or provided for or on behalf of the licensee or by a licensed or registered affiliate, or licensed subsidiary or registered parent of the licensee. However, such financing from a stockholder, partner, unlicensed affiliate or proprietor of the licensed operation must be reported.

(i) Assessments for property taxes or other improvements by, or accruals for taxes due to, a government entity.

(j) Payments of gaming winnings over time to patrons.

(k) Deposits or payments received by the licensee in conjunction with a convention or similar event.

(l) Leases, including leaseback transactions and capital leases, where the lease term, including any extensions or renewals, does not exceed 90 days.

(m) Financing activity that has been filed and administratively approved by the Board Chair pursuant to ~~[Regulations]~~ sections 5.115, 5.225, or 6.125 ~~[or 22.040]~~ of these regulations, or has been approved by the Commission pursuant to ~~[Regulation]~~ section 5.115 of these regulations.

6. All renewals, changes or modifications to the terms or conditions of transactions previously reported under this section must be reported.

7. The report to the Board required by this section must include the names and addresses of all parties to the transaction, the amount and source of the funds, property or credit received or applied, the nature and amount of security provided by or on behalf of the licensee, the purpose of the transaction, and any additional information the Board may require. For transactions reported pursuant to requirements of subsection 4, the report must also identify the dates of each loan or

contribution. The report must be made on a form provided or approved by the Board, ~~accompanied by a fully executed copy of the financing agreement,~~ and signed *under penalty of perjury* by an owner or key employee ~~[(4, as defined [by Regulation] in section 3.110)]~~ ~~under oath~~ of these regulations. *The licensee shall maintain a copy of any record documenting a transaction required to be reported under this section for a period of 5 years after the completion of the applicable transaction or the termination date of the underlying financing or other legally binding agreement, whichever is later, and shall provide a copy of such record to the Board upon request.*

8. In the event a party to any transaction reportable pursuant to this ~~[regulation]~~ *section* is a person other than the reporting licensee or a financial institution or related subsidiary, or a publicly traded company, the report must be accompanied by a supplemental filing *by the licensee or can be sent by the person directly to [8.130filings@gcb.nv.gov](mailto:8.130filings@gcb.nv.gov)* ~~[which must include]~~ that *provides the* person's federal tax identification number or social security number and date of birth, banking references, and source of funds, and any additional information the Board may require. *Prior to engaging in a transaction with a person for which a supplemental filing is required pursuant to this subsection, the reporting licensee shall perform the necessary due diligence regarding the person to ensure compliance with the policies and requirements of the Act and the regulations adopted thereunder, including, but not limited to, ensuring that such association therewith would not constitute grounds for disciplinary action under subparagraph (e) of subsection (1) of section 5.011 of these regulations. In the case of a licensee with a Compliance Review and Reporting System (Compliance Plan), due diligence shall be conducted in accordance with such written Compliance Plan, or if no such plan exists then in accordance with this subsection.*

9. If, after such investigation as the Board deems appropriate, the Commission finds that a reported transaction is inimical to the public health, safety, morals, good order or general welfare of the people of the State of Nevada, or would reflect, or tend to reflect, discredit upon the State of Nevada or the gaming industry, it may order the transaction rescinded within such time and upon such terms and conditions as it deems appropriate.

155        10. A bankruptcy filing by a licensee does not relieve that licensee of the reporting  
156 requirements of this regulation.

157        11. The Board Chair or the Chair's designee may waive one or more of the  
158 provisions of this section or require a report of a transaction not otherwise addressed  
159 in this section or a supplemental filing, upon a finding that the waiver, reporting

1 requirement or supplemental filing is consistent with the public policy of the State of 2  
Nevada as set forth in NRS 463.0129.